

Procurement Preferences

City Council Work Session
Tuesday, March 10, 2015

Presented By
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Procurement Preferences

Back in August of 2014, City Council posed the following questions:

Carbon Footprint-

- Can the City award additional points to bidders who demonstrate that their use of sustainable practices will result in a reduced carbon footprint?

Disadvantaged Businesses-

- Can the City award additional points to bidders who serve or employ disabled persons?



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Carbon Footprint-

- The definition of carbon footprint is the total sets of greenhouse gas emissions caused by an organization, event, product or person.
- Can the City award additional points to bidders who demonstrate that their use of sustainable practices will result in a reduced carbon footprint?
 - **Recommendation-** Not recommended at this time until further research can be conducted.
 - **Reasons:** This type of procurement preference or giving additional points has not yet been adopted by any entity in Arizona.
 - We need to review options to present to Council that are effective and legally enforceable. Some options that have been adopted have received challenges and we need to carefully vet our options.
 - Complex methodologies are used to measure the total carbon footprint and cannot be calculated accurately because of the large amount of data required and carbon dioxide can be produced by natural occurrences.
 - If Council chooses to proceed, we will discuss whether we believe evaluation criteria could be applied to all solicitations or only applicable for RFPs and RSOQs. This will take considerable staff time to conduct this evaluation since this is a novel concept in Arizona.



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Disadvantaged Businesses-

- The definition of a disadvantaged business is an entity owned by women, minority, veteran-owned or employ individuals with disabilities and certified by the government of the state in which it is located.
- Can the City award additional points to bidders who serve or employ disabled persons?
- **Recommendation**- Proceed ahead and revise our City's Procurement Code Manual to incorporate language from A.R.S., 41-2636 that allows procurement preferences for disadvantaged businesses, where the City may "direct select".
 - **Reason:** Social Responsibility
- **Alternative** – Revise our City's Procurement Code Manual and incorporate language that would set aside a percentage of the City's purchases or contracts to disadvantaged businesses.



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Disadvantaged Businesses (Cont'd)

Proposed Language-

- “The City may purchase or contract for any products, materials and services directly from a disadvantaged business without competitive bidding if the delivery and quality of the products, materials or services meet the City’s reasonable requirements”.

OR

- “The City may set aside, at minimum, ??% of its purchases or contracts for any products, materials and services directly from a disadvantaged business without competitive bidding if the delivery and quality of the products, materials or services meet the City’s reasonable requirements”.



Next Steps

- COUNCIL DIRECTION TONIGHT:

- Carbon Footprint-**

- If deemed appropriate, conduct additional research on carbon footprint measurement criteria for identifying reliable and equitable standards.
 - Additional research will include the impact on small businesses and any challenges these small businesses might experience and whether carbon footprint as an evaluation criterion can be applied to all solicitations.

- Disadvantaged Businesses-**

- If deemed appropriate, proceed ahead with incorporating new language in the City's Procurement Code Manual allowing a procurement preference for disadvantaged businesses.
 - At minimum, set aside a percentage of the City's purchases or contracts to disadvantaged businesses.



Questions??